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中國中車股份有限公司
CRRC CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 1766)

ANNOUNCEMENT

**DISCLOSEABLE TRANSACTION AND CONTINUING
CONNECTED TRANSACTION**

**ENTERING INTO THE NEW PRODUCT AND SERVICE MUTUAL
PROVISION FRAMEWORK AGREEMENT**

The Board announced that on 30 March 2021, the Company and CRRC GROUP entered into the New Product and Service Mutual Provision Framework Agreement for an effective term from 1 January 2022 to 31 December 2024.

The Company estimates that under the New Product and Service Mutual Provision Framework Agreement: (i) the annual caps for the amounts to be paid by CRRC GROUP and/or its associates for provision of products and services by the Group for each of the three years ending 31 December 2024 will amount to RMB8,000 million, RMB8,000 million and RMB8,000 million, respectively; and (ii) the annual caps for the amounts to be paid by the Group for provision of products and services by CRRC GROUP and/or its associates for each of the three years ending 31 December 2024 will amount to RMB4,000 million, RMB4,000 million and RMB4,000 million, respectively.

**ENTERING INTO THE NEW PROPERTY LEASING FRAMEWORK
AGREEMENT**

The Board announced that on 30 March 2021, the Company and CRRC GROUP entered into the New Property Leasing Framework Agreement for an effective term from 1 January 2022 to 31 December 2024.

The Company estimates that under the New Property Leasing Framework Agreement: (i) the annual caps for the transaction in respect of leasing of properties from CRRC GROUP and/or its associates by the Group for each of the three years ending 31 December 2024 will amount to RMB800 million, RMB1,000 million and RMB1,500 million, respectively; and (ii) the annual caps for the amounts to be paid by CRRC GROUP and/or its associates for leasing of properties from the Group for each of the three years ending 31 December 2024 will amount to RMB200 million, RMB200 million and RMB200 million, respectively.

ENTERING INTO THE NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT

The Board announced that on 30 March 2021, the Finance Company and CRRC GROUP entered into the New Financial Services Framework Agreement for an effective term from 1 January 2022 to 31 December 2024.

The Company estimates that under the New Financial Services Framework Agreement: (i) the maximum daily deposit balance of Renminbi and foreign currency (including accrued interests) in respect of the provision of deposit services by the Finance Company to CRRC GROUP and/or its associates for each of the three years ending 31 December 2024 will be equivalent to RMB20,000 million, equivalent to RMB21,000 million and equivalent to RMB22,000 million, respectively; (ii) the maximum daily balance of credit of Renminbi and foreign currency (including accrued interests) in respect of the provision of credit services by the Finance Company to CRRC GROUP and/or its associates for each of the three years ending 31 December 2024 will be equivalent to RMB15,000 million, equivalent to RMB16,000 million and equivalent to RMB17,000 million, respectively; and (iii) the annual caps for the service fees of Renminbi and foreign currency to be received by the Finance Company each year for provision of miscellaneous financial services to CRRC GROUP and/or its associates for each of the three years ending 31 December 2024 will be equivalent to RMB22 million, equivalent to RMB23 million and equivalent to RMB24 million, respectively.

IMPLICATIONS OF THE HONG KONG LISTING RULES

As at the date of this announcement, CRRC GROUP is the controlling shareholder of the Company directly holding approximately 51.19% of the shares of the Company, and is thus a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the Continuing Connected Transaction Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio exceeds 0.1% but is less than 5% in respect of the relevant continuing connected transactions under the New Product and Service Provision Framework Agreement, such transactions are therefore subject to annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement of the Hong Kong Listing Rules.

As the highest applicable percentage ratio exceeds 0.1% but is less than 5% in respect of the relevant continuing connected transactions under the New Property Leasing Framework Agreement, such transactions are therefore subject to annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement of the Hong Kong Listing Rules.

The placing of deposits by CRRC GROUP with the Finance Company constitutes a financial assistance provided by the connected person to the Company. As the placing of deposits by CRRC GROUP with the Finance Company and the deposit services provided by the Finance Company to CRRC GROUP are on normal commercial terms which are no less favorable than those offered by Major Commercial Banks for the provision of comparable services in the PRC and are for the benefit of the Group, and no security over the assets of the Group is or will be granted in respect of the placing of deposits and the provision of such deposit services, the placing of deposits by CRRC GROUP with the Finance Company and the deposit services to be provided by the Finance Company to CRRC GROUP under the New Financial Services Framework Agreement are exempt from all Shareholders' approval, annual reporting and announcement requirements pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

The provision of loans and other credit services by the Finance Company to CRRC GROUP constitutes a financial assistance provided by the Company to its connected person, and therefore constitutes a connected transaction. As the highest applicable percentage ratio in respect of the provision of credit services under the New Financial Services Framework Agreement exceeds 5% on an annual basis, the credit services to be provided by the Finance Company to CRRC GROUP are therefore subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio in respect of the provision of credit services under the New Financial Services Framework Agreement exceeds 5% but is less than 25%, the credit services to be provided by the Finance Company to CRRC GROUP also constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the provision of miscellaneous financial services under the New Financial Services Framework Agreement exceeds 0.1% but is less than 5%, the miscellaneous financial services to be provided by the Finance Company to CRRC GROUP are therefore subject to the annual reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

The Company will establish the Independent Board Committee to advise the independent Shareholders in respect of the terms of the provision of credit services by the Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement (including the proposed annual caps therefor).

The Company has appointed Opus Capital Limited as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the terms of the provision of credit services by the Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement (including the proposed annual caps therefor).

A circular containing, among other things, details of the transaction of the provision of credit services by the Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement, a letter from the Independent Board Committee and an opinion of the independent financial adviser will be dispatched to the Shareholders on or before 4 May 2021, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

A. INTRODUCTION

Reference is made to the continuing connected transaction announcement of the Company dated 26 April 2018 in relation to, among others, the existing continuing connected transaction agreements between the Group and CRRC GROUP: (1) Existing Product and Service Mutual Provision Framework Agreement; (2) Existing Property Leasing Framework Agreement; and (3) Existing Financial Services Framework Agreement.

As the caps for each of the aforementioned existing continuing connected transactions will expire on 31 December 2021, the Company proposes to enter into new framework agreements to govern such existing continuing connected transactions for the three years ending 31 December 2024 and set the respective caps thereof.

B. ENTERING INTO THE NEW PRODUCT AND SERVICE MUTUAL PROVISION FRAMEWORK AGREEMENT

1. Background

In the course of its daily production and operation, the Group conducts continuing connected transactions with CRRC GROUP and/or its subsidiaries in relation to the purchase and sales of goods, provision and acceptance of services. In order to better regulate such continuing connected transactions, pursuant to relevant regulatory requirements of the places of listing of the Company and the provisions of the Articles of Association, the Company and CRRC GROUP entered into the New Product and Service Mutual Provision Framework Agreement on 30 March 2021.

2. Principal terms of the New Product and Service Mutual Provision Framework Agreement

The principal terms of the New Product and Service Mutual Provision Framework Agreement are summarized as follows:

Date: 30 March 2021

Parties: CRRC GROUP and the Company

Transaction details:	<p>CRRC GROUP and/or its associates will sell raw materials, accessories, components, equipment, packing materials and other products, and provide repairing, installation, training, processing, greening, security, sanitation, project contracting, project operation and business consulting services to the Group.</p> <p>The Group will sell raw materials, accessories, components, equipment, packaging materials, vehicles and energy resource and other products, and provide repairing, installation, training, processing, greening, security, sanitation, project contracting, project operation and business consulting services to CRRC GROUP and/or its associates.</p>
Term:	<p>From 1 January 2022 to 31 December 2024, subject to extension or renewal with consent of both parties provided that it is in compliance with the relevant regulations and the listing rules of the places of listing of the Company.</p>
Pricing policy:	<p>The prices of the products and services under the New Product and Service Mutual Provision Framework Agreement shall be determined according to the following principles and in the following order:</p> <ul style="list-style-type: none"> • Government-prescribed Price if available; • where there is no Government-prescribed Price but there is Government-guided Price, then according to the Government-guided Price; • where there is neither Government-prescribed Price nor Government-guided Price, then according to the market price (including tendering price);

- where none of the aforesaid three prices are available or the aforesaid pricing principles cannot be applied in actual transactions, then according to an agreed price. Such agreed price shall be determined based on the reasonable cost plus a reasonable profit. The reasonable cost is the actual costs and expenses incurred in providing the products and services as agreed by both parties after negotiation. Unless otherwise determined by the parties through negotiation, reasonable profit shall be based on reasonable cost multiplied by the average profit margin in the industry.

The market price of each product and service shall be determined according to the following order:

- the price charged by Independent Third Parties providing the same kind of products and services under normal commercial terms in the locality where such products and service are provided or proximities thereof; or
- the price charged by Independent Third Parties providing the same kind of products and services under normal commercial terms in China.

As at the date of this announcement, so far as the Company is aware, there is no Government-prescribed Price or Government-guided Price applicable to the products and services under the New Product and Service Mutual Provision Framework Agreement.

The implementation of the aforesaid pricing principles under the aforesaid New Product and Service Mutual Provision Framework Agreement are as follows:

In determining the prices for the purchase of products and services from CRRC GROUP and/or its associates, the Group will determine the reference prices through, among other things, recent market transaction prices, by making enquiries on market prices of similar products and services with industry players and conducting researches on industry websites, and then compare the references with the prices quoted by CRRC GROUP and/or its associates to ensure that prices for the products and services will not be higher than the price offered by independent suppliers to the Company.

The Group has a pricing policy for the sale of products and the provision of services which is applicable to all customers. In determining or revising the pricing for products and services to CRRC GROUP and/or its associates, reference will be made to, among other things, prices of recent transactions of the Group in the market, enquiries with industry players and researches on industry websites. The prices for products and services to be charged by the Group to CRRC GROUP and/or its associates will be determined in accordance with the aforesaid pricing policy.

Payment terms:

The parties have agreed that the transactions under the New Product and Service Mutual Provision Framework Agreement shall be paid and settled by cash or in any other manner otherwise agreed by the parties, and in accordance with the time and payment method agreed upon in the specific product and service provision contract that has been entered into.

3. Historical amounts of the continuing connected transactions for 2019, 2020 and the two months ended 28 February 2021

The historical amounts in respect of the mutual provision of products and services between the Group and CRRC GROUP and/or its associates for the two financial years ended 31 December 2020 and the two months ended 28 February 2021 are as follows:

	Twelve months ended 31 December 2019	Twelve months ended 31 December 2020	Two months ended 28 February 2021
	<i>(RMB million)</i>		
Revenue			
Sales of products and provision of services to CRRC GROUP and/or its associates	3,498.36	3,637.40	317.30
Expenditure			
Purchase of products and services from CRRC GROUP and/or its associates	732.47	546.28	122.67

4. Proposed annual caps of the continuing connected transactions for 2022, 2023 and 2024

The estimated annual caps of the continuing connected transactions under the New Product and Service Mutual Provision Framework Agreement for each of the three years ending 31 December 2024 shall be as follows:

	Twelve months ending 31 December 2022	Twelve months ending 31 December 2023	Twelve months ending 31 December 2024
	<i>(RMB million)</i>		
Revenue			
Sales of products and provision of services to CRRC GROUP and/or its associates	8,000	8,000	8,000
Expenditure			
Purchase of products and services from CRRC GROUP and/or its associates	4,000	4,000	4,000

The aforesaid proposed annual caps of the continuing connected transactions are determined in terms of the estimated transaction amounts, with reference to the historical transaction amounts and expected business growth of the Group and CRRC GROUP. The Company has also taken into consideration of, among others, the following factors:

- (1) the terms of the Existing Product and Service Mutual Provision Framework Agreement;
- (2) the future business needs of the Group and CRRC GROUP; and
- (3) the expected future market price of the relevant products and services based on the market conditions in the PRC.

The Company proposes to increase the annual caps in respect of the continuing connected transactions for the mutual provision of products and services due to the fact that (1) as the Company's railway transportation business continues to grow, the urban rail PPP platform and the environmental project PPP platform of CRRC GROUP and/or its subsidiaries are gradually establishing. In the future, the Group will participate in the investment and construction of multiple urban rail PPP projects, and businesses such as general contracting for PPP projects, project operation and sales of vehicle products with CRRC GROUP, are expected to expand; and (2) there is expected to be a greater demand for the business relevant to or complementary to CRRC GROUP's business in view of the gradual development of other industries of CRRC GROUP in the next few years.

5. Reasons for entering into the New Product and Service Mutual Provision Framework Agreement and the expected benefits to the Company

The Company considers that it is in the interest of the Group to enter into the aforesaid transactions with CRRC GROUP to ensure the stable provision and supply of the products and services of the Company. CRRC GROUP is familiar with the business needs of the Company and the transactions between the parties, and will therefore facilitate the internal development of the Group and minimize the associated administrative and transportation costs.

The Directors (including the independent non-executive Directors) believe that the New Product and Service Mutual Provision Framework Agreement has been entered into on normal commercial terms and in the ordinary course of business of the Group, and the relevant terms of the transactions and annual caps are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

C. ENTERING INTO THE NEW PROPERTY LEASING FRAMEWORK AGREEMENT

1. Background

In the course of its daily production and operation, the Group conducts continuing connected transactions with CRRC GROUP and/or its subsidiaries in relation to the leasing of properties. In order to better regulate such continuing connected transactions, pursuant to relevant regulatory requirements of the places of listing of the Company and the provisions of the Articles of Association, the Company and CRRC GROUP entered into the New Property Leasing Framework Agreement on 30 March 2021.

2. Principal terms of the New Property Leasing Framework Agreement

The principal terms of the New Property Leasing Framework Agreement are summarized as follows:

Date: 30 March 2021

Parties: CRRC GROUP and the Company

Transaction details: CRRC GROUP and/or its associates lease their lawfully owned properties to the Group

The Group leases its lawfully owned properties to CRRC GROUP and/or its associates

Term: From 1 January 2022 to 31 December 2024, and subject to the listing rules of the places where the Company are listed, the lessee has the right to request an extension of the rental term upon the expiration of the valid period of the agreement.

Pricing policy: During the term of the rental period, the parties shall provide reasonable estimates of the transaction amount (including the total rental amount and the total value of right-of-use assets involved in the leases entered into under the framework agreement each year (if applicable)) for the following year on the basis of the property supply plan to be agreed between the parties at the same time. The estimated rent shall be determined by both parties through negotiation by reference to the prevailing market rates in the places where the leased properties are located. As for leasing of properties by the Group from CRRC GROUP, the terms shall be no less favorable than those provided by Independent Third Parties to the Group in relation to comparable properties in the vicinity. As for leasing of properties by the Group to CRRC GROUP, the terms shall be no more favorable than those provided by the Group to Independent Third Parties.

Payment terms: Both parties shall settle the annual rent for the previous year in January each year. The method of payment of the rent will be determined and agreed in the specific lease agreements. The parties have agreed that the transactions under the New Property Leasing Framework Agreement shall be paid and settled by cash or any other means otherwise agreed by the parties. The payment and settlement terms shall be no less favorable than those provided by Independent Third Parties.

3. Historical amounts of the continuing connected transactions for 2019, 2020 and the two months ended 28 February 2021

The historical amounts in respect of the leasing of properties between the Group and CRRC GROUP and/or its associates for the two financial years ended 31 December 2020 and the two months ended 28 February 2021 are as follows:

	Twelve months ended 31 December 2019	Twelve months ended 31 December 2020	Two months ended 28 February 2021
	<i>(RMB million)</i>		
Revenue			
Leasing of properties to CRRC GROUP and/or its associates	3.13	3.32	0.41
Expenditure			
Leasing of properties from CRRC GROUP and/or its associates			
– Annual rent	60.36	114.15	1.05
– Right-of-use assets	201.91	0 ^{Note}	0 ^{Note}

Note: The Group had no recognized right-of-use assets from the Existing Leasing Framework Agreement for the year ended 31 December 2020 and the two months ended 28 February 2021.

4. Proposed annual caps of the continuing connected transactions for 2022, 2023 and 2024

The estimated annual caps of the continuing connected transactions under the New Property Leasing Framework Agreement for each of the three years ending 31 December 2024 shall be as follows:

	Twelve months ending 31 December 2022	Twelve months ending 31 December 2023	Twelve months ending 31 December 2024
	<i>(RMB million)</i>		
Revenue			
Leasing of properties to CRRC GROUP and/or its associates	200	200	200
Expenditure			
Leasing of properties from CRRC GROUP and/or its associates	800	1,000	1,500

The aforesaid proposed annual caps of the continuing connected transactions are determined in terms of the estimated transaction amount with reference to the historical transaction volumes and expected growth of the Group's business and the business of CRRC GROUP. The Company also considers, among other things, the following factors:

- (1) The estimated annual caps for leasing of properties from CRRC GROUP and/or its associates by the Group for each of the three years ending 31 December 2024 include the estimated recognized right-of-use assets in respect of leases for a term of more than one year and estimated rent in respect of leases for a term of no more than one year. Under the PRC Accounting Standards for Business Enterprises applicable to the Group, the Group as the lessee shall recognize leases for a term of more than one year as right-of-use assets and lease liabilities. The right-of-use assets represent its rights to use the underlying leased asset over the lease term and the lease liabilities represent its obligations to make lease payments (i.e. the rent payment). The assets and the liabilities arising from the lease are initially measured on present value basis and calculated by discounting the non-

cancellable lease payments under the New Property Leasing Framework Agreement, using the incremental borrowing rate as the discount rate. Under the PRC Accounting Standards for Business Enterprises and in the consolidated statement of comprehensive income of the Group, the Group shall recognize (i) depreciation charge over the life of the right-of-use asset, and (ii) interest expenses amortized from the lease liability over the lease term. In accordance with the Hong Kong Listing Rules, the Company is required to set caps on the total value of right-of-use assets relating to the above leases. Therefore, the estimated annual caps for leasing of properties from CRRC GROUP and/or its associates by the Group for each of the three years ending 31 December 2024 are RMB800 million (among which approximately RMB600 million will be recognized as right-of-use assets, and approximately RMB200 million will be rent of leases for a term of no more than one year), RMB1,000 million (among which approximately RMB800 million will be recognized as right-of-use assets, and approximately RMB200 million will be rent of leases for a term of no more than one year), and RMB1,500 million (among which approximately RMB1,300 million will be recognized as right-of-use assets, and approximately RMB200 million will be rent of leases for a term of no more than one year), respectively;

- (2) The Company continues to grow its principal businesses and expand into new business segments, thus the demand for leasing properties is expected to increase significantly; and
- (3) CRRC GROUP's businesses are expected to expand gradually in the future, and the demand for the mutual leasing of properties between CRRC GROUP and the Group is expected to grow.

5. Reasons for entering into the New Property Leasing Framework Agreement and the expected benefits to the Company

As the properties leased between the Group and CRRC GROUP are complementary in terms of geographical location, the Company considers that it is in the interest of the Group to enter into the aforesaid transactions with CRRC GROUP to ensure the stable provision and usage of the property leasing business of the Company. In addition, CRRC GROUP is familiar with the business needs of the Company and the transactions between the parties, and will therefore minimise the administrative costs of the Group.

The Directors (including the independent non-executive Directors) believe that the New Property Leasing Framework Agreement has been entered into on normal commercial terms and in the ordinary course of business of the Group, and the relevant terms of the transactions and annual caps are fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

D. ENTERING INTO THE NEW FINANCIAL SERVICES FRAMEWORK AGREEMENT

1. Background

In the course of its daily production and operation, the Finance Company provides CRRC GROUP and its subsidiaries with deposit services, credit services and miscellaneous financial services as approved by CBIRC from time to time. In order to better regulate such continuing connected transactions, pursuant to relevant regulatory requirements of the places of listing of the Company and the provisions of the Articles of Association, the Finance Company and CRRC GROUP entered into the New Financial Services Framework Agreement on 30 March 2021.

2. Principal terms of the New Financial Services Framework Agreement

The principal terms of the New Financial Services Framework Agreement are summarized as follows:

Date: 30 March 2021

Parties: The Finance Company and CRRC GROUP

Transaction details: The Finance Company shall provide the following financial services to CRRC GROUP pursuant to the New Financial Services Framework Agreement (under the New Financial Services Framework Agreement, reference to CRRC GROUP shall include CRRC GROUP, its subsidiaries and its associates, but excluding the Group):

- (1) Deposit services: CRRC GROUP shall open domestic currency and foreign currency deposit account in the Finance Company and deposit funds in such account based on the principle of free access to the funds. The deposit can be in the form of current deposit, fixed term deposit, call deposit, agreement deposit or others.
- (2) Credit services: subject to relevant laws and regulations in the PRC and the risk control requirements of the Finance Company, depending on the operational and development needs of CRRC GROUP, the Finance Company shall provide domestic currency and foreign currency credit services approved by the regulatory authorities to CRRC GROUP, including loans, discounted bills, financial leasing, buyer's credit, accounts receivable factoring, various types of letter of guarantees and bill acceptances, etc.
- (3) Miscellaneous financial services: the Finance Company shall also provide miscellaneous financial services within its business scope to CRRC GROUP, including but not limited to, provision of services of consultancy, agency, settlement, transfer, foreign exchange settlement and sales, investment, financial leasing, letter of credit, online banking, entrusted loans, guarantees, bill acceptances and underwriting.

Term:

Effective from 1 January 2022 to 31 December 2024, subject to extension or renewal with consent of both parties provided that it is in compliance with the relevant laws and regulations and the listing rules of the places of listing of the Company.

Pricing policy:

(1) Deposit services:

- (i) The interest rate for CRRC GROUP's deposit with the Finance Company shall be made with reference to the benchmark interest rate for the same period promulgated by the People's Bank of China for the same type of deposit, and shall be no higher than the interest rate for the same period determined by banking financial institution for the same type of deposit from CRRC GROUP or the third parties of equal standing. If the Finance Company also provides deposit services to Independent Third Parties, the interest rate offered by the Finance Company for CRRC GROUP's deposit shall be no higher than the interest rate for the same period for the same type of deposit offered by the Finance Company to such Independent Third Parties of equal standing with CRRC GROUP.
- (ii) The Finance Company shall ensure the capital safety in respect of CRRC GROUP's deposits, and timely and fully meet capital demands upon its withdrawal request. Where the Finance Company fails to make full and timely payment to CRRC GROUP at its request for withdrawal of deposits, CRRC GROUP has the right to terminate the New Financial Services Framework Agreement and may also offset the amount of deposits payable by the Finance Company against its loans provided by the Finance Company in accordance with the provisions of applicable laws.

(2) Credit services:

- (i) The interest rate or fee rate for credit services provided by the Finance Company to CRRC GROUP shall be determined with reference to the benchmark interest rate or fee rate for the same period promulgated by the People's Bank of China for the same type of business, and shall be no lower than the interest rate or fee rate for the same period determined by banking financial institution for the same type of credit business to CRRC GROUP or third parties of equal standing. If the Finance Company also provides credit services to Independent Third Parties, the interest rate or fee rate quoted by the Finance Company to CRRC GROUP shall be no lower than the interest rate or fee rate for the same period for the same type of business quoted by the Finance Company to such Independent Third Parties of equal standing with CRRC GROUP.
- (ii) Where CRRC GROUP fails to repay the debts incurred from the abovementioned credit services provided by the Finance Company in full and in time, the Finance Company has the right to terminate the New Financial Services Framework Agreement and may also offset the amount of debts payable by CRRC GROUP against CRRC GROUP's deposits with the Finance Company in accordance with the provisions of applicable laws.

(3) Miscellaneous financial services:

- (i) The domestic currency or foreign currency agency fees, handling fees or other service fees charged by the Finance Company for the provision of the miscellaneous financial services to CRRC GROUP shall comply with the relevant prescribed rates for such services as determined by the People's Bank of China or the CBIRC. In addition, such fees shall be determined with reference to those charged by Major Commercial Banks in the PRC for the provision of comparable financial services. If the Finance Company also provides miscellaneous financial services to Independent Third Parties, the fees charged by the Finance Company to CRRC GROUP shall be no lower than those charged by the Finance Company for the same type of services to Independent Third Parties of equal standing with CRRC GROUP.
- (ii) Subject to compliance with the New Financial Services Framework Agreement, CRRC GROUP and the Finance Company shall enter into specific contracts/agreements to set out detailed transaction terms with regard to the relevant specific financial services. Such specific contracts/agreements shall comply with the principles and terms set out under the New Financial Services Framework Agreement and applicable laws.

3. Historical amounts of the continuing connected transactions for 2019, 2020 and the two months ended 28 February 2021

The historical amounts in respect of the provision of credit services and miscellaneous financial services by the Finance Company to CRRC GROUP for the two financial years ended 31 December 2020 and the two months ended 28 February 2021 are as follows:

	Twelve months ended 31 December 2019	Twelve months ended 31 December 2020	Two months ended 28 February 2021
	<i>(RMB million)</i>		
Maximum daily balance of credit (including accrued interests) granted by the Finance Company to CRRC GROUP and/or its associates	8,340	10,233	10,946
Miscellaneous financial services provided by the Finance Company to CRRC GROUP and/or its associates	0.44	1.14	0.02

4. Proposed annual caps of the continuing connected transactions for 2022, 2023 and 2024

The estimated maximum daily balance of credit and the annual caps for the miscellaneous financial services of the continuing connected transactions under the New Financial Services Framework Agreement for each of the three years ending 31 December 2024 shall be as follows:

	Twelve months ending 31 December 2022	Twelve months ending 31 December 2023	Twelve months ending 31 December 2024
	<i>(equivalent to RMB million)</i>		
Maximum daily domestic currency and foreign currency balance of credit (including accrued interests) granted by the Finance Company to CRRC GROUP and/or its associates	15,000	16,000	17,000
Annual domestic currency and foreign currency service fees charged for miscellaneous financial services provided by the Finance Company to CRRC GROUP and/or its associates	22	23	24

5. Basis of the proposed annual caps of the non-exempt continuing connected transactions under the New Financial Services Framework Agreement

(1) Credit services

- (i) The credit services provided by the Finance Company to CRRC GROUP experienced a substantial increase in terms of transaction amount for the previous years, with RMB8,340 million, RMB10,233 million and RMB10,946 million being the maximum daily balance of credit (including accrued interests) for each of the two financial years ended 31 December 2020 and the two months ended 28 February 2021, respectively, and such increase is expected to continue for the three years ending 31 December 2024. With reference to such historical transaction amounts and taking into consideration CRRC GROUP's development plan for developing urban rail PPP business platform, new energy passenger vehicle and other strategic emerging industries, it is expected that the proposed maximum daily domestic currency and foreign currency balance of credit (including accrued interest) granted by the Finance Company to CRRC GROUP for the three years ending 31 December 2024 will be equivalent to RMB15,000 million, equivalent to RMB16,000 million and equivalent to RMB17,000 million, respectively.
- (ii) The Country's measures to accelerate the establishment of a new development pattern and build a strong transportation country will create a good opportunity for CRRC GROUP to maintain stable growth. The comprehensive deepening of reforms and the continuous deepening of the mixed-ownership reform will provide new vitality to the development of CRRC GROUP. Besides focusing on rail transportation equipment business, CRRC GROUP, through its other subsidiaries, also strives to develop strategic emerging industries such as urban rail PPP business platform, new energy vehicle industry, ecological and environmental protection industry and new materials industry, which will bring the Finance Company new business opportunities for its provision of credit services including loans, financial leasing, merger and acquisition loans, etc. The following new business development of CRRC GROUP and the corresponding transaction amounts expected have been taken into consideration when the annual caps are set:

CRRC Industrial Investment Co., Ltd.* (中車產業投資有限公司), a subsidiary of CRRC GROUP, is an important investment platform of CRRC GROUP for non-rail transportation related businesses, mainly involving new energy vehicles, super capacitor industry, intelligent manufacturing, special equipment and other industries. CRRC Times Electric Vehicle Co., Ltd.* (中車時代電動汽車股份有限公司), a subsidiary of CRRC GROUP, is a leading manufacturer of new energy vehicle in the PRC, with the rare capability of being provider of components, system and whole car within the new energy vehicle industry. After steady development in recent years, the sales of new energy vehicles are in good shape, and the market share is expanding year by year. CRRC GROUP will attach much importance to the development of new energy vehicle business and strive to build better and stronger new energy vehicle business in the next three years. In the super capacitor industry, Ningbo CRRC New Energy Technology Co., Ltd.* (寧波中車新能源科技有限公司) possess cutting-edge technology and is expected to grow fast in terms of its business. Considering the future funding needs of CRRC GROUP brought by the aforesaid business growth and development, the Finance Company will have great opportunities to develop working capital loans, fixed asset loans, merger and acquisition loans and other new forms of credit services. It is expected that the loans and financial leasing of CRRC GROUP for the new energy vehicle business for the three years ending 31 December 2024 will amount to RMB4,500 million, RMB5,500 million, and RMB6,500 million, respectively.

- (iii) According to the relevant PRC laws, the Finance Company, as a non-banking financial institution, can only provide credit services to the Company, CRRC GROUP and its affiliated members. For the three years ended 31 December 2020, the Finance Company had total assets of RMB35,586 million, RMB45,100 million and RMB36,207 million respectively, with interbank fixed term deposit and current deposit of RMB17,796 million, RMB23,625 million and RMB13,578 million for the corresponding year. The Finance Company has sufficient funds to accommodate the development needs of CRRC GROUP while increasing its business volume, revenue and profit, and bringing economic benefits to the Group.

- (iv) The Company is of the view that, when proposing annual caps of continuing connected transactions, flexibility shall be taken into account to accommodate the maximum limits under various possibilities. However, same as the actual implementation of the continuing connected transactions historically, the Finance Company and CRRC GROUP will conduct continuing connected transactions in strict accordance with the actual demand for transaction volume and the actual transaction price. Even if the Company sets the annual caps for continuing connected transactions, it does not mean that Finance Company and CRRC GROUP shall transact such amounts, and the proposed annual caps are not indications for the actual transaction amounts. The Company will disclose the actual transaction amounts in each year's annual report, and the independent non-executive Directors and auditors will give opinion on the continuing connected transactions to receive supervision of the independent Shareholders.

(2) *Miscellaneous financial services*

With the expansion of scale of its various principal businesses, CRRC GROUP is expected to record a steady growth in revenue in the next three years, which will result in a fast increase in capital settlement amount. In addition, due to the fact that CRRC GROUP is gradually establishing a diversified structure, resulting from the expansion in its scale of the existing businesses and the new businesses to be carried out, CRRC GROUP's demand for investment and financing as well as the relevant financial services is expected to rise rapidly in the next few years. Accordingly, based on the actual transaction amounts of this business for the past three years, the Finance Company and CRRC GROUP unanimously agreed to set the annual caps for miscellaneous financial services at the proposed amounts under the New Financial Services Framework Agreement, which amount to RMB22 million, RMB23 million and RMB24 million for the three years ending 31 December 2024, respectively.

- (i) Currently, the Finance Company mainly provides consultancy services to CRRC GROUP in its debt issuances (including debt underwriting services). According to the development plan of CRRC GROUP and the mid-term and long-term demand for funds of its member companies, CRRC GROUP will have an increasing momentum to satisfy its demand for funds through direct financing, such as debt issuances, which will result in an increase in its demand for financial consultancy services from the Finance Company accordingly. It's expected that the financial consultancy services (including debt underwriting services) provided by the Finance Company to CRRC GROUP for the three years ending 31 December 2024 will amount to RMB6 million, RMB7 million and RMB8 million, respectively;
- (ii) In addition, the Finance Company expects to provide entrusted investment services to CRRC GROUP. CRRC GROUP aims to expand its investment business as it generates relatively high return and serves to strengthen its main business and expand its operation scale. It's expected that the entrusted investment services provided by the Finance Company to CRRC GROUP for the three years ending 31 December 2024 will amount to RMB3 million, RMB3.5 million and RMB4 million, respectively;
- (iii) In consideration of the development of CRRC GROUP in strategic emerging industries, such as high-end equipment manufacturing industry, renewable energy vehicles industry and ecological and environmental protection and water treatment industries, as well as the demand for the relevant financial services in such development, the Finance Company will provide financial services in buyer's credit, consumption credit, financial leasing services, letter of guarantees services and entrusted loan services to CRRC GROUP and in respect of its products. It's expected that the service charges from the financial services in relation to the credit business of the Finance Company to CRRC GROUP for the three years ending 31 December 2024 will amount to RMB10 million, RMB10 million and RMB10 million, respectively.

6. Reasons for entering into the New Financial Services Framework Agreement and the expected benefits to the Company

The Finance Company is a non-bank financial institution of the Group under the supervision of the relevant regulatory authorities and has a well-functioning internal control and risk management system. The Finance Company is also familiar with the operations of CRRC GROUP, which is advantageous for the Finance Company in providing CRRC GROUP with custom-made and efficient financial services. The entering into of the New Financial Services Framework Agreement is also beneficial for the Finance Company to expand its financing channels, enhance its efficiency of fund usage and reduce its financing cost. Furthermore, the interest rates for credit services under the New Financial Services Framework Agreement are set pursuant to the normal commercial terms and in the interests of the Company and the Shareholders. CRRC GROUP is a large state-owned enterprise under the direct management of the State-owned Assets Supervision and Administration Commission and holds a sound reputation in the financial market. Taking into account the creditworthiness of CRRC GROUP, and on the condition of strict risk control of the Finance Company, the Company considers that providing credit services to CRRC GROUP through the Finance Company is a low-risk fund investment option and will generate a considerable return for the Group.

The Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice from the independent financial adviser) believe that the New Financial Services Framework Agreement has been entered into on normal commercial terms and in the ordinary course of business of the Group carried out through the Finance Company, and the relevant terms of the transactions and annual caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

7. Internal Control and Risk Management Function of the Finance Company

(1) A sound corporate governance structure

The Finance Company has established a sound corporate governance structure, consisting of the general meeting, the board of directors, the supervisory committee and the management. Under the board of directors, a strategic decision-making committee, an audit and risk management committee and an information technology management

committee have been established. These committees consist of specialized personnel and adopt collective decision-making procedures to ensure the decisions to be scientific and reasonable. Under the management, the credit examination committee and investment decision-making committee have also been set up.

In order to ensure the compliance of operation, the Finance Company has also established nine functional departments based on its business development and internal control demands. These functional departments are namely, the capital management department, the corporate business department, the international business department, the settlement management department, the information technology department, the planning and finance department, the risk compliance department, the audit and accounting department and the comprehensive management department. Documents named “Letter of Duties of Departments” and “Letter of Responsibilities of Positions” have been formulated to explicitly divide the duties and responsibilities among various departments and positions. Furthermore, the Finance Company has established a system of rules and regulations which satisfies the requirements of internal management for financial institutions, with a total of 174 currently effective rules and regulations that cover three major controlling levels of the Finance Company, namely, the corporate level (i.e., governance structure, risk assessment, control activities, information and communication, as well as internal supervision), the business level (i.e., budget and finance, settlement business, credit business, capital business, international business and financial market business), and the comprehensive level (i.e., administrative management and information technology).

The Finance Company always adheres to the principle of managing and operating pursuant to the laws and regulations, and actively undertakes the corporate social responsibility. The CBIRC has not raised any major query concerning the Finance Company since its establishment.

(2) Scientific compliance risk prevention and pricing mechanism for financial products and services

(i) Risk prevention and pricing mechanism for deposit services

In order to prevent the risk of deposits, the Finance Company has established a management and control mechanism to ensure the liquidity, security and rationality of interest rate pricing of the funds. The Finance Company has also established a deposit reserve system to monitor the liquidity of funds on a daily basis, to prevent the liquidity risk of funds and to ensure the security of funds.

The Finance Company has established a special panel to collectively review the pricing strategies, rules, procedures and authorizations of deposit interest rates, and has set up the settlement management department and the international business department to take charge of the execution and implementation of the pricing policies for the deposits in Renminbi and foreign currencies, respectively. In addition, the risk management department is responsible for reviewing the compliance and legitimacy of the interest rate pricing plan, and the audit and accounting department is responsible for supervising and auditing the implementation of the interest rate pricing and management.

According to the “Administrative Measures on Deposit Interest Rate Pricing”, interest rate pricing of deposit services must follow the principles of marketization, differentiation and compliance. The interest rate pricing of deposit services of the Finance Company is determined based on the comprehensive consideration of the financial market environment and other factors, and with reference to the benchmark interest rate in the same period specified by the People’s Bank of China for deposits of the same type, and the interest rate determined by the banking financial institutions in the same period for the same type of deposits from third parties of equal standing.

(ii) *Risk prevention and interest rate pricing mechanism for credit services*

The Finance Company has formulated a series of rules and regulations such as “Working Rules for Credit Examination Committee”, “Administrative Measures for Self-Operated Loans Business” and “Operation Procedures for Revolving Line Loans”, and has established special departments and committees, including but not limited to the corporate business department, the risk management department and the credit examination committee, to maintain the risk management and internal control environment of credit services.

The corporate business department is responsible for the credit investigation before granting credits. The borrower’s credit rating according to the regulations of the People’s Bank of China and the CBIRC, the borrowing purpose, the borrower’s repayment ability, the term and amount of the loan, the issues of connected transaction, etc. are all within the scope of review. The interest rate for each loan shall be determined based on the benchmark interest rate promulgated by the People’s Bank of China and the interest rate charged by financial institutions in the same industry to a third party for the loan of the same type with the same conditions. After the investigation of the corporate business department, the risk management department will conduct a comprehensive investigation and analysis on whether the credit investigation report is appropriate and whether the risks of the proposed granting of the credit and the risk points have been fully revealed. The risk management department will submit to the credit examination committee after examination, and the credit examination committee will conduct an independent and objective analysis and collective deliberation on the credit applications and materials and provide opinions, on which the general manager of the Finance Company has a veto power.

The Finance Company conducts customer credit ratings every two years. The corporate business department organizes an initial evaluation of the credit ratings of members of the Group and the CRRC GROUP every two years, and the risk management department is responsible for the review of credit ratings of such members and the credit examination committee is responsible for the final review and determination of the credit ratings.

Furthermore, the audit and accounting department supervises and inspects the implementation and compliance of the Finance Company's internal system, procedures and regulations regarding deposits and loans.

Through reviews of all the levels described above, the Finance Company ensures the safety of its funds and the interest rate pricing to be scientific and in compliance with the laws.

(iii) Risk prevention and pricing mechanism for miscellaneous financial services

The Finance Company has formulated rules and regulations such as "Administrative Measures for Bond Underwriting Business" to regulate the current miscellaneous financial services and the miscellaneous financial services that may be implemented after receiving the approval from regulatory authorities. According to such rules and regulations, the responsible departments, the business management procedures and the internal control mechanisms for the relevant businesses have also been established to prevent risks. The pricing of miscellaneous financial services shall be in compliance with the relevant regulations if the People's Bank of China or the CBIRC has set up standard of charges for the relevant type of services, and shall refer to the level of the fees charged by major domestic commercial banks for the financial services of the same type.

(3) *Connected transaction management mechanism*

In order to regulate the connected transaction management mechanism, the Finance Company has formulated the “Measures for the Management of Connected Transaction”, according to which, the planning and finance department is responsible for the management and information disclosure of the connected transactions, and the corporate business department, the settlement management department and other relevant departments are responsible for the statistical summary of the connected transactions handled by the departments themselves and the verification with the planning and finance department. The Finance Company ensures to disclose the information of connected transactions in accordance with the provisions of “Connected Transaction Management Rules (H Shares) of CRRC Corporation Limited” and “Connected Transaction Management Rules (A Shares) of CRRC Corporation Limited” in a timely manner.

E. IMPLICATIONS OF THE HONG KONG LISTING RULES

As at the date of this announcement, CRRC GROUP is the controlling shareholder of the Company directly holding 51.19% of the shares of the Company, and is thus a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the Continuing Connected Transaction Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio exceeds 0.1% but is less than 5% in respect of the relevant continuing connected transactions under the New Product and Service Provision Framework Agreement, such transactions are therefore subject to annual review and announcement requirements but are exempt from the independent Shareholders’ approval requirement of the Hong Kong Listing Rules.

As the highest applicable percentage ratio exceeds 0.1% but is less than 5% in respect of the relevant continuing connected transactions under the New Property Leasing Framework Agreement, such transactions are therefore subject to annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement of the Hong Kong Listing Rules.

The placing of deposits by CRRC GROUP with the Finance Company constitutes a financial assistance provided by the connected person to the Company. As the placing of deposits by CRRC GROUP with the Finance Company and the deposit services provided by the Finance Company to CRRC GROUP are on normal commercial terms which are no less favorable than those offered by Major Commercial Banks for the provision of comparable services in the PRC and are for the benefit of the Group, and no security over the assets of the Group is or will be granted in respect of the placing of deposits and the provision of such deposit services, the placing of deposits by CRRC GROUP with the Finance Company and the deposit services to be provided by the Finance Company to CRRC GROUP under the New Financial Services Framework Agreement are exempt from all Shareholders' approval, annual reporting and announcement requirements pursuant to Rule 14A.90 of the Hong Kong Listing Rules.

The provision of loans and other credit services by the Finance Company to CRRC GROUP constitutes a financial assistance provided by the Company to its connected person, and therefore constitutes a connected transaction. As the highest applicable percentage ratio in respect of the provision of credit services under the New Financial Services Framework Agreement exceeds 5% on an annual basis, the credit services to be provided by the Finance Company to CRRC GROUP are therefore subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio in respect of the provision of credit services under the New Financial Services Framework Agreement exceeds 5% but is less than 25%, the credit services to be provided by the Finance Company to CRRC GROUP also constitutes a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the provision of miscellaneous financial services under the New Financial Services Framework Agreement exceeds 0.1% but is less than 5%, the miscellaneous financial services to be provided by the Finance Company to CRRC GROUP are therefore subject to the annual reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Two Directors, namely Sun Yongcai and Lou Qiliang hold positions in CRRC GROUP, have abstained from voting on the Board resolution in respect of the transactions. Save as stated above, none of the Directors have a material interest in the continuing connected transactions contemplated under the Continuing Connected Transaction Agreements and hence no other Directors have abstained from voting on the relevant Board resolution.

The Company will establish the Independent Board Committee to advise the independent Shareholders in respect of the terms of the provision of credit services by the Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement (including the proposed annual caps therefor).

The Company has appointed Opus Capital Limited as the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in respect of the terms of the provision of credit services by the Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement (including the proposed annual caps therefor).

A circular containing, among other things, details of the transaction of the provision of credit services by the Finance Company to CRRC GROUP contemplated under the New Financial Services Framework Agreement, a letter from the Independent Board Committee and an opinion of the independent financial adviser will be dispatched to the Shareholders on or before 4 May 2021, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

F. GENERAL INFORMATION OF THE COMPANY, CRRC GROUP AND THE FINANCE COMPANY

The Company

The Company is a joint stock limited company incorporated in the PRC with limited liability. The Group is the largest rolling stock provider in the world, with the most diverse offerings and leading technologies. The main scope of business

of the Company include: research and development, design, manufacturing, refurbishment, sales, leasing and technical services of locomotives, MUs, rapid transit vehicles, engineering machinery, various electromechanical equipment, electronic equipment and components, as well as electric devices and environmental protection equipment; information consultation; industrial investment and management; asset management and import and export businesses

CRRC GROUP

CRRC GROUP is a large-scale wholly state-owned enterprise established with the approval of the State Council of the PRC and the controlling Shareholder of the Company. The principal businesses of CRRC GROUP (through the Company) include research and development, manufacturing, sales, refurbishment and leasing of rolling stock and key components, and the extended business relying on the proprietary technology of rolling stock.

The Finance Company

The Finance Company, a subsidiary of the Company, is principally engaged in the provision of deposit services, settlement services, credit services, financial advice services and miscellaneous financial services to CRRC GROUP and its affiliated members at all levels (as described below), subject to the permitted scope of businesses and under the regulation of the CBIRC and the People's Bank of China. As at the date of this announcement, the Finance Company is held by the Company and CRRC GROUP as to 91.36% and 8.64% respectively.

According to the relevant PRC laws such as the regulatory requirements of the CBIRC, the Finance Company, as a non-banking financial institution, is positioned to mainly provide financial services to the Group, CRRC GROUP and the affiliated members of CRRC GROUP (including subsidiaries of CRRC GROUP, companies individually or jointly held as to more than 20% by CRRC GROUP and its subsidiaries, and companies individually or jointly held as to less than 20% by CRRC GROUP and its subsidiaries but with the largest shareholder being CRRC GROUP or its subsidiaries). Currently, in addition to provide industrial chain extension financial services for the upstream suppliers of the Group's industrial chain as approved by China Banking and Insurance Regulatory Commission Beijing Office, the Finance Company does not provide financial services to any third party other than the Group, CRRC GROUP and their affiliated members as mentioned above.

G. DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

“Articles of Association”	Articles of Association of CRRC Corporation Limited (as amended from time to time)
“associate(s)”	has the meaning ascribed thereto under the Hong Kong
“Board”	the board of directors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“Company”	CRRC Corporation Limited (中國中車股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares and the A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Continuing Connected Transaction Agreements”	the New Product and Service Mutual Provision Framework Agreement, the New Property Leasing Framework Agreement and the New Financial Services Framework Agreement
“CRRC GROUP”	CRRC GROUP Co., Ltd. (中國中車集團有限公司), a large-scale wholly state-owned enterprise and controlling Shareholder of the Company
“Director(s)”	the directors of the Company, including the independent non-executive directors
“Existing Financial Services Framework Agreement”	the Financial Services Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Finance Co., Ltd. entered into between the Finance Company and CRRC GROUP on 26 April 2018
“Existing Property Leasing Framework Agreement”	the Property Leasing Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Corporation Limited entered into between the Company and CRRC GROUP on 26 April 2018

“Existing Product and Service Mutual Provision Framework Agreement”	the Product and Service Mutual Provision Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Corporation Limited entered into between the Company and CRRC GROUP on 26 April 2018
“Finance Company”	CRRC Finance Co., Ltd. (中車財務有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company
“Group”	the Company and its subsidiaries
“Government-guided Price”	the price for the various products and services under the New Product and Service Mutual Provision Framework Agreement which may be determined by the sellers and purchasers of products and services within the price range as provided under the laws, regulations, decisions or orders promulgated by the central government, provincial government or other regulatory authorities in the PRC
“Government-prescribed Price”	the price for the various products and services under the New Product and Service Mutual Provision Framework Agreement as provided under the laws, regulations, decisions or orders promulgated by the central government, provincial government or other regulatory authorities in the PRC
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Independent Board Committee”	a committee of the Board comprising all independent non-executive Directors established for the purpose of considering the New Financial Services Framework Agreement and the relevant annual caps for transactions contemplated thereunder

“Independent Third Party”	an individual or company which is not a connected person of the Company
“Major Commercial Banks”	the major commercial banks in the PRC, including Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications and other major large-scale joint stock commercial banks established in the PRC (such as China CITIC Bank, China Merchants Bank and China Industrial Bank)
“New Financial Services Framework Agreement”	the Financial Services Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Finance Co., Ltd. entered into between the Finance Company and CRRC GROUP on 30 March 2021
“New Property Leasing Framework Agreement”	the Property Leasing Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Corporation Limited entered into between the Company and CRRC GROUP on 30 March 2021
“New Product and Service Mutual Provision Framework Agreement”	the Product and Service Mutual Provision Framework Agreement between CRRC GROUP Co., Ltd. and CRRC Corporation Limited entered into between the Company and CRRC GROUP on 30 March 2021
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“%”	per cent.

By order of the Board
CRRC Corporation Limited
Sun Yongcai
Chairman

Beijing, the PRC
30 March 2021

As at the date of this announcement, the executive directors of the Company are Mr. Sun Yongcai and Mr. Lou Qiliang; and the independent non-executive directors are Mr. Li Guo’an, Mr. Sun Patrick, Mr. Shi Jianzhong and Mr. Zhu Yuanchao.